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24 June 1976

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MEMORANDUM FOR: Deputy Director of Central Intelligence (Designee)

SUBJECT : The Annual Report of the Credit Union

1. A few months ago we called to Mr. Bush's attention a particularly informative and thoughtful Employee Bulletin on the status of the Agency-sponsored group life insurance program. We are happy, here, to single out for praise another document that hits the mark, the annual report of the Credit Union. This report gives a brief, but revealing picture of what is going on there. Depositors who want evidence that their savings really are still there will find it. Those seeking reassurance that a loan request will not be turned down cold will find it. And those inherently suspicious of everyone and everything will have to contend with the knowledge that, at most, only a small percentage of the profits are being used to buy fast cars for the managers and to hire pretty girls who can't type, count, or answer the phone.

2. The distribution of this report prompts us once again to ask: Why is it that, in similar fashion, the annual reports of EAA, EAF, and PSAS are not disseminated? For many years it was taken for granted by the vast majority of CIA employees that their compatriots could be counted on to reason and act responsibly, with good judgment, and in tune with the times. There was no need, here, for the type of policing that would be normal practice in the control of the same activities in other environments. The recent revelations have caused a great many of us to question the wisdom of that blind faith--trusts have been misplaced; silence is no longer acceptable evidence that everything is OK. We recommend that the management of the EAA, EAF, PSAS be urged to take notice of the fine example set by the management of the Credit Union and do likewise.

STATINTL


THE MANAGEMENT ADVISORY GROUP

Att

northwest message

northwest federal credit union
spring 1976

president's message

1975 was a busy and significant year for the Credit Union. Assets grew at a rate substantially higher than the national average, and total assets reached an all-time high. As a result, our Credit Union clearly has become a major financial institution. As in all large institutions, the Board of Directors faced a variety of problems and difficulties this past year. Fortunately, however, Board and Committee members have such a range of expertise that we were able to resolve various problems successfully.

A Modernization Committee was formed in 1975 to examine various ways to improve the Credit Union's systems and services.

Great progress was achieved, and we now hope to install a significantly better system sometime during 1976.

Overall, the Board is proud of Credit Union achievements and performance in 1975 and is optimistic about 1976. We promise to study better means of service to you, the members, and to continue to review interest and dividend rates to keep them at the most favorable levels possible. We assure you that all associated with the management of your Credit Union are fully aware that we are dealing with the life savings of members entrusted to our care—a most serious responsibility.

announcements

- *E. Henry Knoche resigned from the Board of Directors effective 1 May 1976. At a special meeting on 3 May 1976 the Board appointed [REDACTED] who had the next highest number of votes in the previous election, to the Board to serve until the next election.*
- *The Board of Directors declared a 6.5% dividend plus a 5% interest refund for the first quarter ending 31 March 1976.*
- *The Board introduced a new educational loan plan called OELP (Omnibus Educational Loan Plan) in September 1975.*
- *The Credit Union hours at Headquarters are 9:00 to 4:00 daily.*
- *U.S. Bicentennial PROOF Silver Coin sets are available at the Credit Union offices at \$12.50 per set.*

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manager's report**distribution of income 1975**

Borrowers & Share Insurance	120,428	2.06%
Reserve for Bad Loans	292,432	5.00%
Salaries	572,745	9.79%
Computer Services	28,993	.50%
Operating Expenses	203,904	3.48%
Dividends	4,628,043	79.17%
Undivided Earnings	2,089
Total	5,848,634	100.00%

Cost Ratio 1975—15.8%

**treasurer's report****assets:**

	1975	1974
Loans	42,127,603	36,958,158
Less: Allowance for Loan Losses	50,000
Cash	974,984	362,491
Savings & Loan/CD	500,000
Federal Agency Securities	30,749,504	24,471,535
U.S. Government Obligations	6,907,515	3,920,290
Common Trust Investments	3,838,634	1,637,239
Furniture, Fixtures & Equipment	12,786	12,576
Accrued Interest	1,013,275
Loans to Other Credit Unions	15,000
Other	3,352	960,510
Total	\$85,577,653	\$68,837,799

liabilities:

Shares	80,238,866	64,977,635
Regular Reserve	2,781,973	2,578,230
Reserve for Contingencies	108,281	108,281
Undivided Profits	64,285	50,729
Dividends	1,242,768	1,000,144
Other	1,139,340	120,716
Unclaimed Shares	2,140	2,064
Total	\$85,577,653	\$68,837,799

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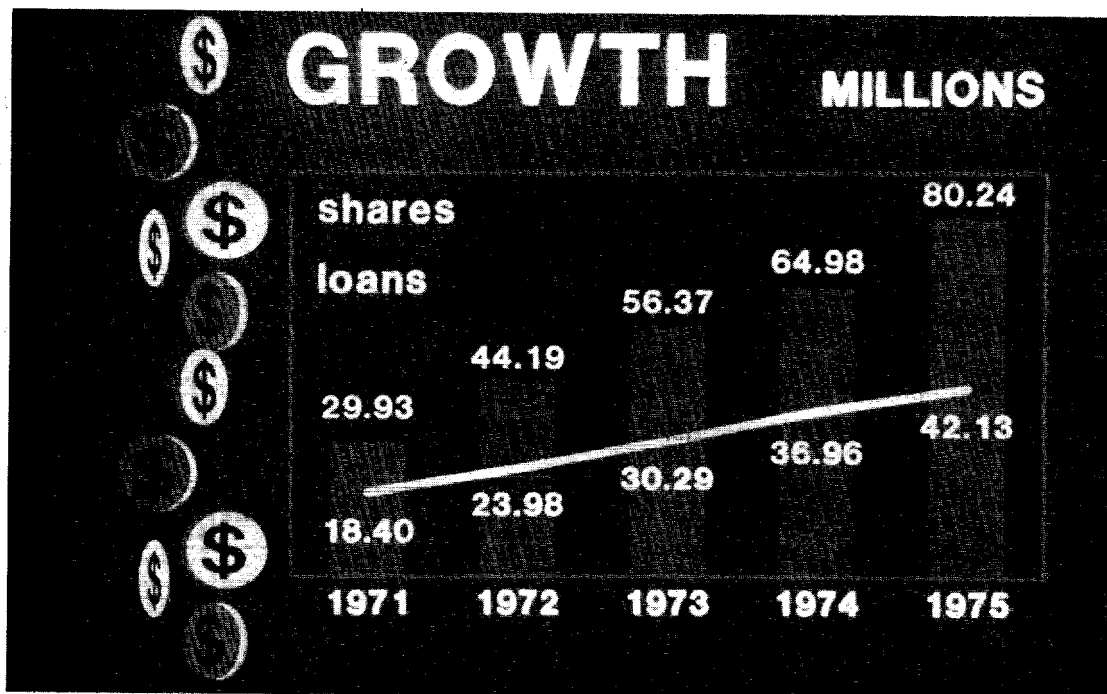
supervisory committee report

The Supervisory Committee of the Northwest Federal Credit Union (NWFCU) has the responsibility for conducting independent audits of Credit Union operations which includes evaluating the performance of elected officials and employees. The Committee, during 1975, performed these duties in accordance with procedures established by the National Credit Union Administration (NCUA).

A Report of Audit of the NWFCU for the period 1 January 1974 to 31 March 1975 has been furnished to your Board of

Directors and to the NCUA. In addition, Federal Examiners from the Administrator's office conducted a review of NWFCU operations for the period ended 31 July 1975.

Based on the results of our audit activities, the Supervisory Committee is satisfied that NWFCU assets are properly safe-guarded and that results of financial operations are accurately stated. In our judgement, your elected officials, managers and staff of the Credit Union are performing their duties in an efficient and businesslike manner.



Northwest Federal Credit Union

P.O. Box 663
Washington, D.C. 20044

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**1975-1976 CONSOLIDATED
FUND CAMPAIGN PAMPHLET**

Enclosed is your CFC/EAF/PSAS Consolidated Fund Campaign pledge card. Return the pledge card to your Keyperson whether or not you make a contribution. Return of all pledge cards is required for audit purposes and to ensure that no contribution is lost.

Consolidated Fund Campaign is the combination of the Agency's fund drive for the Educational Aid Fund and the Public Service Aid Society being conducted concurrently with the Metropolitan Washington Area's Combined Federal Campaign.

Combined Federal Campaign (CFC) represents many charitable organizations and agencies. You may designate a specific agency or agencies to receive your contributions by entering that Agency's assigned number in the box on the back of the pledge card. A listing of CFC organizations and agencies with assigned numbers are listed in the CFC contributor's leaflet.

**HOW TO MAKE YOUR
CFC/EAF/PSAS CONTRIBUTION**

1. Cash or Check: Contributions by check for CFC, EAF, or PSAS should be made payable to CONSOLIDATED CHARITIES only. Indicate the dollar amount being contributed in the block marked "Cash or Check" on the pledge card.

2. Payroll Deduction: Complete your pledge card and return it to your Keyperson. In order for the Payroll Branch to deduct your contribution each payday, you must sign the card.

a. When you use the payroll deduction plan, you authorize the deduction of a specific amount from your pay each pay period during 1976. This authorization remains in effect unless terminated by you in writing.

b. Indicate on your card the total annual amount you wish to pledge and the amount to be deducted each pay period. The minimum deduction is 25¢ biweekly for a total annual pledge of \$6.50. A table showing various biweekly deductions and the corresponding total annual pledge is located on the last page of this pamphlet.

3. Direct Billing: Fill in the total amount of your annual pledge on your card and indicate the amount in the box provided for Direct Billing. Also print your room number in the box on the top line. You may make payments on your pledge any time during 1976. Quarterly statements will be sent to you on the unpaid balance (April, July, October 1976, and January 1977 prior to closing our books).

4. You may pay your pledge by a combination of the above plans.

EXAMPLE: A \$25.00 pledge may be paid by a deduction of 50¢ per pay period if you are paid every 2 weeks and the remaining \$12.00 may be paid in cash or check during the Drive, or by Direct Billing in quarterly payments.

5. Personnel paid every four weeks may contribute to CFC and/or EAF only by cash, check, or Direct Billing.

CONTRIBUTIONS

1. Your contribution to PSAS may be made either by check or cash. Payroll Deductions and Direct Billing plans are not available for PSAS contributions.

2. Checks are to be made payable to "CONSOLIDATED CHARITIES."

CONFIDENTIAL CONTRIBUTIONS

1. Enclose your pledge card with your contribution in a sealed envelope. Write the control number of the card on the envelope and turn it in to your Keyperson. This envelope will then be delivered, UNOPENED, to the Fund Drive Coordinator.

RECEIPTS

1. The Fund Drive Coordinator will furnish you a receipt for cash contributions to CFC, EAF, and PSAS if you write "Receipt Requested" and your name and office address.

2. Receipts for Direct Billing pledges will be issued by the Office of the Fund Drive Coordinator when payment is made in cash.

EDUCATIONAL AID FUND (EAF)

Through the Educational Aid Fund, EAF, you help the sons and daughters of deceased, retired, and active Agency employees fulfill their hopes and plans for further education. Your generosity is a warm and friendly act, a manifestation of faith in the future.

EAF awards come either in the form of direct grants or interest-free loans, which are not repayable until after the student graduates. The vast majority of awards are loans, and the principal source of funds for the awards is the annual EAF Campaign.

Factors taken into consideration in selecting EAF awards are: financial need; academic achievement; motivation, as demonstrated by part-time work and extracurricular activities; and a personal essay written by the applicant. All applications are reviewed and considered in anonymous form by the EAF Selection Committee and, in turn, the EAF Board of Trustees.

More than one member of the same family may receive awards and awards may be given to the same individual in successive years if the student reapplies. Moreover, the EAF Board within the past two years has instituted a new policy of considering applications from students entering or attending junior colleges and post-highschool-vocational schools, rather than limiting the awards to four-year college students as in previous years.

The EAF also awards four special grants each year:

The Matthew Baird Award is granted exclusively to the student who demonstrates unusually high personal motivation through self-help.

The John A. McCone Award is granted to the student whose financial need is particularly significant.

The Frank G. Wisner Scholarship is awarded on the basis of outstanding academic and personal achievement.

The Lawrence K. White Award is granted to the student who has demonstrated unusual leadership qualities.

Last year, your contributions totaled \$31,036.30 and helped make possible the awarding of 35 loans ranging from \$750 to \$1,000, 5 special grants of \$300 each and five special awards totaling \$8,500. In its eleven years of existence, the EAF has given 406 awards valued at \$244,400.

- Funeral expenses of a member of the immediate family.
- Relief from indebtedness under circumstances meriting assistance and beyond individual's capacity for repayment in normal period of time.

PSAS will not make loans that would normally be obtained from the Credit Union, banks or other sources, or for matters which are primarily under the control of the individual for his personal economic convenience, such as financing the purchase of personal property. The applicant must demonstrate a pressing need and must have exhausted every reasonable means of self-assistance. Requests for assistance should be submitted by the applicant directly to the Personal Affairs Branch, Office of Personnel, Room 5 E 11 Headquarters, X-6081 or 6341. All such requests will be handled in confidence.

SOURCE OF FUNDS

PSAS obtains its funds entirely through voluntary contributions. Such contributions are deductible for income tax purposes. PSAS would have been unable to achieve its objective without the support it has received from many individuals. During the 1974-1975 Consolidated Fund Campaign, PSAS received \$9,412.84.

ADMINISTRATION

The Society is administered by a Board of Trustees composed of officials from various components of the Agency. The Board meets annually to consider policies and affairs of the Society and to elect officers. An Executive Committee is empowered to act for the Board in the consideration and approval of requests for assistance.

During the Fiscal Year 1975, eighteen loans were approved for a total of \$21,354.69.

LOAN ACTIVITIES AS OF 30 JUNE 1975

Loans receivable	65	\$94,366.34
New loans 1 Jan-30 June	9	10,112.43
Paid up loans 1 Jan-30 June ..	8	3,964.61
Payments received in 1975	171	9,557.61
Average monthly income from loan repayments in 1975 ...		1,592.93

PAYROLL DEDUCTION SCHEDULE

Listed below is a scale of **biweekly** deductions from 25¢ to \$15.00 and the total annual value of each if deducted from your salary every pay period for one full year. If you wish to have your pledge paid by payroll deduction, please determine the amounts you wish deducted each pay period from this scale and the corresponding annual pledge and record these amounts in the appropriate spaces on the pledge card.

Biweek Deduc.	Annual Pledge	Biweek Deduc.	Annual Pledge	Biweek Deduc.	Annual Pledge	Biweek Deduc.	Annual Pledge	Biweek Deduc.	Annual Pledge	Biweek Deduc.	Annual Pledge
\$.25 =	\$ 6.50	\$2.75 =	\$ 71.50	\$5.25 =	\$136.50	\$ 7.75 =	\$201.50	\$10.25 =	\$266.50	\$12.75 =	\$331.50
.50 =	13.00	3.00 =	78.00	5.50 =	143.00	8.00 =	208.00	10.50 =	273.00	13.00 =	338.00
.75 =	19.50	3.25 =	84.50	5.75 =	149.50	8.25 =	214.50	10.75 =	279.50	13.25 =	344.50
1.00 =	26.00	3.50 =	91.00	6.00 =	156.00	8.50 =	221.00	11.00 =	286.00	13.50 =	351.00
1.25 =	32.50	3.75 =	97.50	6.25 =	162.50	8.75 =	227.50	11.25 =	292.50	13.75 =	357.50
1.50 =	39.00	4.00 =	104.00	6.50 =	169.00	9.00 =	234.00	11.50 =	299.00	14.00 =	364.00
1.75 =	45.50	4.25 =	110.50	6.75 =	175.50	9.25 =	240.50	11.75 =	305.50	14.25 =	370.50
2.00 =	52.00	4.50 =	117.00	7.00 =	182.00	9.50 =	247.00	12.00 =	312.00	14.50 =	377.00
2.25 =	58.50	4.75 =	123.50	7.25 =	188.50	9.75 =	253.50	12.25 =	318.50	14.75 =	383.50
2.50 =	65.00	5.00 =	130.00	7.50 =	195.00	10.00 =	260.00	12.50 =	325.00	15.00 =	390.00

Other \$ _____

TAX DEDUCTIONS

1. Contributions to CFC, EAF, and PSAS are tax deductible items.
2. Contributions to CFC and EAF paid by payroll deduction may be deducted on your 1976 tax return. If you wish to deduct your contributions to CFC and EAF on your 1976 tax return, you should pay the balance of your pledge in cash or check before 31 December 1976.
3. If you are making a contribution by payroll deduction, you should retain your earning statements to verify the amount to be used on your tax return. You may obtain a statement of withholding from the payroll office if you are required by a tax authority to show proof of the amount withheld for charitable purposes.

PUBLIC SERVICE AID SOCIETY (PSAS)

The Public Service Aid Society is a non-profit corporation organized under the laws of the District of Columbia on 31 December 1955 for the purpose of rendering assistance, financial and otherwise, to eligible individuals in urgent need of assistance who have exhausted every reasonable means of self help.

POLICIES

The Public Service Aid Society assists deserving individuals through financial and other means; each request is considered in confidence on an individual basis.

Direct financial assistance is offered as a non-interest bearing loan. Loans are generally made on a deferred payment basis and with a level of payment which takes into account the individual's particular circumstances.

When financial assistance is not required, aid may be in the form of advice and counseling or guidance in contacting appropriate health or other assistance organizations.

Typical of the needs for which PSAS has provided assistance are the following:

- Emergency or unusually heavy medical or hospital expenses, not covered by insurance.
 - Emergency travel funds when critical illness or death occurs in the immediate family.
-